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**BANCOHIO
CORPORATION
1968 ANNUAL
REPORT**

HIGHLIGHTS OF THE YEAR

FOR THE YEAR

	1968	1967
Net Operating Income	\$ 11,969,876	\$ 11,288,021
Per Share	2.68	2.53
Cash Dividends	4,291,397	3,548,606
Per Share	.96	.80
Stock Dividend	4%	4%

AT THE YEAR END

Total assets	\$1,324,869,907	\$1,241,347,850
Deposits	1,174,326,309	1,077,002,585
Loans, Less Reserves	658,301,504	584,408,110
Capital Funds	100,965,825	93,923,910
Book Value Per Share	22.62	21.05

All per share amounts have been adjusted to reflect the 4% stock dividend declared in November 1968.

TO THE SHAREHOLDERS

The "highlights" on the page opposite are only the end-product summary of the comparative results of operations of your banks and the Corporation for the years noted. We suggest your attention to the financial review presented in the following pages of this report of activities and information pertinent to your investment in BancOhio.

The turbulent economic and financial atmosphere in which banks functioned in 1968 presented perhaps greater problems than have been encountered in three decades, beginning as an aftermath of the 1967 devaluation of the British pound. Successive threats to the stability and integrity of other currencies and speculation in the gold markets compounded the exigencies in meeting the world-wide increased demands for financial credit in the face of reduced central bank reserves of several major nations.

As a consequence, interest rates gyrated progressively upward and the movement of capital funds from nation to nation, seeking a safer haven or higher interest rates, resulted in continuing crises in international money settlements. Price inflation, shortages in the supply of competent labor and manpower, and rising wage rates combined to increase the money needs of business and industry for current working capital and for expansion of production facilities.

Everything considered, the banking industry in this country has weathered the storm very well indeed, attesting to the strength and flexibility of the privately owned financial structure in the United States of America.

In the circumstances just recited and with specific reference to the BancOhio banks, it may be noted that their increased services and activities in meeting the financial needs of their communities were accomplished within the framework of adequate capital and physical facilities provided by the shareholders. But this framework had productive values only as utilized by competent people dedicated to bank service and with knowledgeable counsel from bank directors.

The nine largest categories of the directors of the BancOhio banks are as follows:

- 34 directors represent Agriculture, Livestock Husbandry, Stockyards, Packing, Storage Elevators, Hatcheries, and Horticulture
- 25 directors represent Light and Heavy Manufacturing Industry, Fabrication and Assemblage
- 20 directors represent Real Estate and Land Development, Construction, Lumber and Builders' Supplies
- 18 directors represent Medicine and Surgery, Dentistry, Drugs, and Optometry
- 15 directors represent Publishing, Education, Advertising, Hotels and Restaurants, and Public Service
- 15 directors represent Wholesale and Retail Trade Establishments
- 12 directors are Attorneys and Judges
- 10 directors represent Insurance and Finance (other than bank finance)
- 9 directors represent Automotive Distribution, Transportation, and Farm Equipment

The significance of the foregoing recitation is more apparent when one notes that through the liaison of the member banks with the Corporation, an effective interchange of the knowledge, experience and talents of each member bank director is available to all members, and the composite product of the personal equation can be applied to the direction of a broadly constructive utilization of bank capital.

The proliferation of the formation of "one bank holding companies" in 1968, now embracing about 20% of bank assets in the United States, has received increased attention from supervisory agencies and investors in bank stocks generally and has prompted inquiries from a number of our shareholders.

BancOhio Corporation is a registered bank holding company, operating under federal law and regulations applicable to situations where two or more banks are owned or controlled under the applicable provisions of the statutes. Registered bank holding companies (now numbering more than 80 operating in more than 30 states and representing some \$50 billion of bank assets) are subject to the supervision of one or more federal agencies, and their acquisition of additional banks or any related form of business requires the consent of various federal authorities.

Conversely, the "one bank holding company" is a nonbanking corporation which owns control of only one commercial bank and also may own or control any number of other corporations or operate any number of unrelated businesses. The "one bank holding company" is not subject to the statutes or regulations applicable to the registered bank holding companies. However, under present laws and regulations, such a company must divest "unrelated" business activities if it were to acquire a second bank.

We do not regard this movement as one inimical to the future progress of BancOhio Corporation, which is now embarking on its fortieth year of existence.

February 17, 1969

DERROL R. JOHNSON
President

FINANCIAL REVIEW

EARNINGS

Consolidated net operating income of BancOhio Corporation and subsidiary banks was a record \$11,969,876 in 1968, an increase of \$681,855 over the \$11,288,021 earned in 1967. Per share earnings were \$2.68 for 1968, a 5.9 per cent increase over 1967 per share earnings, adjusted for the 1968 stock dividend, of \$2.53.

Gross operating revenue for 1968 totaled \$62,571,715 which was 11.5 per cent over the amount earned in 1967. Total operating expenses of \$46,803,189 for the year were 14.9 per cent greater than in 1967. Although net operating revenue increased and the 10 per cent surcharge was levied on federal income taxes, income taxes applicable to 1968 operating income were 6.2 per cent less than in 1967. Additional investments in tax-exempt securities were responsible for the decrease in tax liability.

Interest on loans amounted to \$37,697,816 which represented an increase of \$4,059,120 or 12.1 per cent over the previous year. Interest and dividends from investment securities of \$19,439,726 for the year increased \$2,356,775 or 13.8 per cent over 1967. These two sources accounted for substantially all of the income gain for the year, and this resulted from expansion of the loan and investment accounts and the higher interest rates which prevailed throughout most of the year.

In 1968, all categories of operating expenses increased from 1967 levels. The principal item of increase was interest paid which amounted to over 50 per cent of total operating expenses as it increased \$3,885,127 or 19.4 per cent. Growth of time deposits and current interest rates are responsible for the greater interest costs which now equal over one-third of gross operating income. While all other operating expenses increased, their percentage changes were in proportion to the increase in gross operating income.

DIVIDENDS

Four quarterly cash dividends of 25¢ per share were paid in 1968, and a 4 per cent stock dividend was distributed to shareholders in December. Cash dividend payments totaled \$4,291,397 in 1968 compared to \$3,548,606 paid in the previous year. Total cash dividends per share, adjusted for the 4 per cent stock dividend, were 96¢ in 1968 which was 20 per cent greater than the 80¢ paid in 1967.

CAPITAL FUNDS

Capital funds of your Corporation reached a new milestone as they exceeded \$100 million at year-end. Total capital funds were \$100,965,825 or \$22.62 per share at December 31, 1968 compared to \$93,923,910 or \$21.05 per share at the end of the previous year. This increase was attained although cash dividend payments and transfers to loan reserves were materially greater than in 1967. Reserves for possible future loan losses increased 28¢ per share in 1968 as against 9¢ in 1967 and were equal to \$3.09 per share or a total of \$13,780,888 at the year-end. Combined capital, surplus and loan reserves now equal \$25.71 per share compared to \$23.86 at the end of 1967.

The Corporation distributed 171,655 additional shares in payment of the 4 per cent stock dividend declared November 13, 1968.

DEPOSITS

Total deposits of the subsidiary banks increased \$97,323,724 during 1968 as they totaled \$1,174,326,309 at year-end. Under the favorable influence of high rates, time and savings deposits accounted for 78 per cent of deposit growth, compared to 65 per cent in 1967, as they increased \$75,769,809 to a total of \$623,066,204 at the end of the year. Demand deposits, adversely influenced by the high rates available on time deposits, showed a lower growth rate than in 1967, although a gain of \$21,553,915 was recorded by the year-end when they totaled \$551,260,105. The current trend of interest rates indicates a continuation of greater growth for time and savings than for demand deposits.

LOANS

The consolidated loan accounts of the subsidiary banks attained record levels during 1968 as demands for all types of bank credit were strong throughout most of the year. Commercial loans, which contracted during the period of limited credit demand in 1967, posted a record increase of \$36,239,188 in 1968 to reach a total of \$249,235,007 outstanding at year-end. Bancplan loans, stimulated by the expanded volume of sales of consumer goods during 1968, increased \$18,886,556 to a new high of \$149,104,682 outstanding, net of repayments. A constant demand for real estate mortgage loans enabled the banks to reach a record \$189,109,967 mortgage loans outstanding, an increase of \$14,488,099 in 1968. Total loans of \$658,301,504 at the year-end represented an overall increase of \$73,893,394.

INVESTMENTS

At December 31, 1968, the consolidated investment accounts of the Corporation and subsidiary banks amounted to \$479,011,189, an increase in these assets of \$44,904,930 compared to the previous year-end. Significant additions were made to the banks' holdings of state and municipal obligations and Federal agency securities during the year as available investment funds were utilized to produce greater investment earnings. In 1968, funds derived from net sales of U. S. Treasury securities, and from maturities or sales of other investments together with newly available funds permitted commitments in excess of \$120,000,000 for investments at average rates substantially higher than were obtainable in previous years. The combination of shifting existing investments into new issues with a greater return plus obtaining high rates on new investments resulted in the taxable equivalent income yield on the consolidated account being increased from 5.81 per cent at December 31, 1967 to 6.57 per cent at December 31, 1968.

During the year, sales of U. S. Treasury securities for the purpose of adjusting cost bases and to establish potential future capital gains involved losses of \$1,419,336. After applicable tax adjustments, the net losses of \$669,715 were charged to valuation reserves; since these reserves are composed of prior years' gains from securities which were not recorded as operating income, the transactions for 1968 are not reflected in operating income for the year.

CAPITAL EXPENDITURES

Additions and improvements to the physical facilities of the subsidiary banks are a continuing requirement for their services to keep pace with the expansion of population and business activity. In 1968, The Farmers and Merchants Bank of Logan and The First National Bank of Washington Court House opened new branch offices; The First National Bank of London and The Knox County Savings Bank, Mount Vernon, have new main office buildings under construction for completion in 1969; The Ohio National Bank of Columbus has two new branch offices under construction and The First National Bank of Wilmington has one branch office under construction; and nine other banks have expanded or made extensive improvements to a total of eleven of their offices. Subsidiary banks located in Cadiz, Chillicothe, Circleville and Jackson have acquired land for new or additional offices which will be placed under construction in 1969. Customary additions to or replacements of equipment were also effected during the year. The accomplishment of these improvements involved about \$1,500,000 in capital expenditures.

PERSONNEL

The energy, ability and loyalty of people is essential to the success of any enterprise, and these qualifications are characteristic of the 2,060 employees and 287 officers who are responsible for the continuing progress of your Corporation and the subsidiary banks. Staff promotions during the year included the appointment of 35 new officers and the elevation of 43 officers to positions of greater responsibility.

In April, 1968, Mr. Donald J. Bishop was elected President of The First National Bank of Springfield to succeed the late Mr. Robert M. Ireland who had served in that office with great distinction.

The successful operation of the banks is greatly dependent upon the capable counsel of the 255 directors whose extensive knowledge and experience always provide needed perspective. During the past year, eleven new directors, other than bank officers, have been elected; all of these directors are outstanding professional men or management officers of important business enterprises in their respective communities.

RECENT DEVELOPMENTS

The Worthington Savings Bank was merged into The Ohio State Bank on October 31, 1968. The merged bank operates all 13 offices of the component banks, and had total capital of \$6,350,545 and total assets of \$84,164,326 at the year-end. The merger was effected to expand and improve banking services, and to provide better utilization of bank capital through greater operating efficiency.

In 1968, The Ohio National Bank of Columbus introduced a new lending service, Bancplan Reserve, for its customers. This plan permits borrowers to use varying amounts of credit for even very short periods of time at moderate cost, and has been well accepted by the public. Other subsidiary banks introduced this service early in 1969.

The extension of leasing services by The Ohio National Bank through Ohio National Leasing Corporation has shown increased acceptance since the program was installed, and indicated growth prospects for this type financing are excellent.

BANCOHIO CORPORATION and SUBSIDIARY BANKS

CONSOLIDATED BALANCE SHEET

	December 31, 1968	1967
ASSETS		
Cash and due from banks	\$ 163,577,766	\$ 203,021,346
Securites (Note 1):		
U.S. Treasury securities	157,564,957	178,173,783
State and municipal bonds	242,136,947	218,929,495
Other bonds and securities	79,309,285	37,002,981
Stock in Federal Reserve Bank	2,319,400	2,250,000
Loans, less \$13,780,888 reserves (1967 - \$12,543,916)	658,301,504	584,408,110
Banking premises and equipment, less depreciation	12,855,846	11,358,030
Other assets	8,804,202	6,204,105
	\$1,324,869,907	\$1,241,347,850
LIABILITIES		
Demand deposits	\$ 551,260,105	\$ 529,706,190
Time deposits	623,066,204	547,296,395
Total deposits	1,174,326,309	1,077,002,585
Federal Reserve Bank deferred credits	7,972,173	14,619,370
Unearned income	21,000,155	17,549,246
Other liabilities	19,666,533	37,006,554
Minority interest in subsidiary banks	938,912	1,246,185
Capital and surplus:		
Capital stock (Note 2)	29,753,677	28,609,310
Surplus	71,212,148	65,314,600
Total capital and surplus	100,965,825	93,923,910
	\$1,324,869,907	\$1,241,347,850

Note 1 - Securities are carried at cost less amortization of premium. At December 31, 1968 a reserve of \$1,210,120 (1967—\$1,879,835) for possible future losses on sales was carried against U. S. Treasury securities. In accordance with established practice, during 1968 losses of \$1,419,336 less tax of \$749,621 on sales of U. S. Treasury securities were charged to the reserve. In 1967 gains of \$310,831 less tax of \$82,483 were credited to the reserve.

Note 2 - Capital stock consists of 6,000,000 authorized shares of \$6.66-2/3 par value per share. In November 1968 a 4% stock dividend of 171,655 shares was declared. Outstanding shares increased during the year by the amount of the stock dividend and totaled 4,463,052 at December 31, 1968.

Note 3 - The Corporation and its subsidiaries have a trustee non-contributory pension plan covering substantially all of their employees. Pension expense for the year and payments to the pension fund totaled \$831,680, which includes amortization of prior service cost over approximately ten years.

BANCOHIO CORPORATION and SUBSIDIARY BANKS

CONSOLIDATED STATEMENT OF INCOME AND SURPLUS

Operating income:

	Year ended December 31,	
	1968	1967
Interest on loans	\$37,697,816	\$33,638,696
Interest on state and municipal obligations	8,709,225	7,049,722
Interests and dividends on other securities	10,730,501	10,033,229
Service charges on deposit accounts	2,782,528	2,890,688
Other operating income	2,651,645	2,482,959
	<u>62,571,715</u>	<u>56,095,294</u>

Operating expenses:

Interest	23,870,533	19,985,406
Salaries and retirement benefits	13,237,151	12,185,299
Depreciation	1,016,700	852,385
Taxes, other than income taxes	2,576,706	2,246,308
Other operating expenses	6,102,099	5,457,028
	<u>46,803,189</u>	<u>40,726,426</u>
Operating income less operating expenses	15,768,526	15,368,868
Provision for income taxes on operating income	3,678,257	3,920,522
Net operating income	12,090,269	11,448,346
Minority interest in net operating income	120,393	160,325
Consolidated net operating income -		
\$2.68 a share in 1968 and \$2.53 in 1967	11,969,876	11,288,021

Non-operating additions or (deductions):

Net gain on security sales (Note 1)	27,684	168,045
Transfers to reserves for possible future loan losses	(1,694,299)	(674,283)
Other items	8,816	73,695
Income tax reduction from non-operating items	883,218	260,023
Transfer to surplus	<u>11,195,295</u>	<u>11,115,501</u>

Dividends declared:

Stock dividend - 4% in each year, at approximate market values at dates of declaration	6,643,049	4,959,843
Less - excess of market value over par value	5,498,682	3,859,493
Amount transferred to capital stock account	1,144,367	1,100,350
Cash dividends - \$.96 a share in 1968 and \$.80 in 1967	4,291,397	3,548,606
	<u>5,435,764</u>	<u>4,648,956</u>

Excess of minority interests' share of equity in net assets of subsidiary banks over par value of BancOhio capital stock issued therefor		14,682
Adjustments for other changes in minority interests in subsidiary banks	138,017	18,284
Consolidated surplus at beginning of year	65,314,600	58,815,089
Consolidated surplus at end of year	<u>\$71,212,148</u>	<u>\$65,314,600</u>

See page 5 for notes to this statement

BANCOHIO CORPORATION

(Parent company only)

BALANCE SHEET

ASSETS

	December 31,	
	1968	1967
Deposit in subsidiary bank	\$ 122,086	\$ 99,334
Securities, at cost which approximates market:		
U.S. Treasury and Federal Agency securities	1,250,000	2,245,304
Municipal bond	500,000	
Receivable from wholly-owned real estate subsidiary (Note 1)	165,000	165,000
Loans to directors of subsidiary banks	213,235	299,498
Investments in shares of subsidiary banks (acquired for BancOhio capital stock and cash) stated on basis of equity in net assets of the banks	98,542,065	91,041,600
Other assets	203,488	95,514
	<u>\$100,995,874</u>	<u>\$93,946,250</u>

LIABILITIES

Accrued liabilities	\$ 30,049	\$ 22,340
Capital stock - (Note 2)	29,753,677	28,609,310
Surplus:		
Capital surplus	48,288,920	42,790,239
Surplus from increase in equity in net assets of subsidiary banks since December 31, 1934 (less stock dividends totaling \$58,646,183)	17,834,634	17,618,736
Earned surplus - since December 31, 1934	5,088,594	4,905,625
Total surplus	<u>71,212,148</u>	<u>65,314,600</u>
	<u>\$100,995,874</u>	<u>\$93,946,250</u>

Note 1 - The principal portion of properties held by the real estate company is occupied by an affiliated bank.
The operations of the real estate company are not significant.

Note 2 - Capital stock consists of 6,000,000 authorized shares of \$6.66 $\frac{2}{3}$ par value per share. In November 1968
a 4% stock dividend was declared totaling 171,655 shares. Outstanding shares increased during the year
by the amount of the stock dividend and totaled 4,463,052 at December 31, 1968.

Note 3 - The Corporation and its subsidiaries have a trustee non-contributory pension plan covering substantially
all of their employees. The Corporation's pension expense for the year and payments to the pension fund
totaled \$29,400 which includes amortization of prior service cost over approximately ten years.

PRICE WATERHOUSE & CO.

100 East Broad Street
Columbus 43215
January 13, 1969

To the Shareholders and the
Board of Directors of
BancOhio Corporation

We have examined the balance sheet of BancOhio Corporation (parent company only) as of December 31, 1968
and the related statement of income and surplus for the year. We have not examined the financial statements of the
subsidiary banks, the investments in which are stated in the balance sheet of BancOhio Corporation on the basis of its
equity in the banks' net assets as shown by their financial statements. In all other respects, our examination was made in
accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and
such other auditing procedures as we considered necessary in the circumstances.

Inasmuch as the financial statements of the subsidiary banks were not examined by us, we are not in a position
to express an opinion on the December 31, 1968 financial statements of BancOhio Corporation (parent company) taken as
a whole. However, except for the amount carried for the investments in the subsidiary banks and the surplus account
resulting from the basis used for expressing the amount of the investments, it is our opinion that the accompanying
balance sheet and statement of income and surplus of the parent company—BancOhio Corporation—present fairly its
financial position at December 31, 1968 and the results of its operations for the year then ended in conformity with generally
accepted accounting principles applied on a basis consistent with that of the preceding year.

BANCOHIO CORPORATION
 (Parent company only)

STATEMENT OF INCOME AND SURPLUS

	December 31,	1968	1967
Income:			
Dividends from subsidiaries	\$ 4,453,584	\$ 3,423,853	
Interest	162,006	165,012	
Other	<u>8,082</u>	<u>8,082</u>	
	4,615,590	3,596,947	
Expenses:			
Salaries, sundry taxes and other operating expenses	773,624	740,568	
Less - service charges to subsidiaries	646,018	642,185	
	<u>127,606</u>	<u>98,383</u>	
Income before federal income taxes	4,487,984	3,498,564	
Federal income taxes	13,618	24,213	
Net income for the year	4,474,366	3,474,351	
Cash dividends paid - \$.96 a share in 1968 and \$.80 in 1967	<u>4,291,397</u>	<u>3,548,606</u>	
	<u>182,969</u>	<u>(74,255)</u>	
Earned surplus at beginning of year	4,905,625	4,979,880	
Earned surplus at end of year	<u>\$ 5,088,594</u>	<u>\$ 4,905,625</u>	
Surplus from increase since December 31, 1934 in equity in net assets of subsidiary banks (less stock dividends totaling \$58,646,183):			
Balance at beginning of year	\$17,618,736	\$11,630,594	
Increase in equity in net assets during the year	6,720,929	10,929,701	
Stock dividend declared - 4% in each year, at ap- proximate market values at dates of declaration	<u>(6,643,049)</u>	<u>(4,959,843)</u>	
Other adjustments	<u>138,018</u>	<u>18,284</u>	
Balance at end of year	<u>\$17,834,634</u>	<u>\$17,618,736</u>	
Capital surplus:			
Balance at beginning of year	\$42,790,239	\$38,916,064	
Excess of market value over par value of capital stock issued as stock dividends	5,498,681	3,859,493	
Other adjustments	<u>14,682</u>	<u>14,682</u>	
Balance at end of year	<u>\$48,288,920</u>	<u>\$42,790,239</u>	

See page 7 for notes to this statement

THE BANCOHIO BANKS

ASSETS, DEPOSITS AND CAPITAL FUNDS

COMBINED AT DECEMBER 31, 1968

NATIONAL BANKS:	Assets (Note 1)	Deposits (Note 1)	Capital funds	Number of Banking Offices
The Ohio National Bank of Columbus	\$ 766,006,802	\$ 677,268,004	\$59,723,179	27
The First National Bank of Cadiz	12,530,382	11,118,994	969,210	1
The First National Bank of Chillicothe	35,973,920	32,901,248	2,296,204	3
The Second National Bank of Circleville	10,768,108	9,716,008	728,989	1
First National Bank of Coshocton	37,731,182	34,446,559	2,276,797	2
The First National Bank of Delaware	30,491,833	27,886,065	1,968,783	4
The First National Bank of Jackson	24,455,069	21,772,481	1,980,728	1
The Hocking Valley National Bank of Lancaster	27,244,716	24,714,417	1,599,174	4
The First National Bank of London	13,068,662	11,575,627	1,055,933	1
The First National Bank of Marysville	16,714,048	14,945,346	1,206,669	1
The First National Bank of Newark	41,546,169	36,799,581	2,950,900	4
The National Bank of Portsmouth	27,418,725	24,289,696	1,598,090	3
The First National Bank of Springfield	71,166,872	62,820,581	4,865,899	4
First National Bank of Tiffin	18,429,613	16,716,803	1,219,386	2
The First National Bank of Washington Court House	16,222,192	14,487,648	1,182,971	3
The First National Bank of Wilmington	12,486,257	11,142,774	904,531	2
The Citizens National Bank in Zanesville	33,675,321	29,828,342	2,618,679	3
STATE BANKS:				
The Ohio State Bank Columbus (Note 2)	84,164,326	75,337,092	6,350,545	13
The Kenton Savings Bank Kenton	12,115,137	11,198,615	642,480	4
The Farmers and Merchants Bank of Logan	17,487,790	15,344,089	1,435,526	2
The Knox County Savings Bank Mt. Vernon	17,907,251	15,803,678	1,451,752	2
The Perry County Bank New Lexington	5,789,072	5,190,011	454,552	1
	\$1,333,393,447	\$1,185,303,659	\$99,480,977	88

Note 1 - Includes interbank deposits of approximately \$10,855,000. Reserves for possible future loan losses and other valuation reserves have been deducted from total assets.

Note 2 - In 1968 The Worthington Savings Bank, a subsidiary, was merged into The Ohio State Bank.

ANALYSIS OF RESERVES FOR LOAN LOSSES

Year ended December 31,
1968 1967

Balance at beginning of year	\$12,543,916	\$12,134,426
Add: Transfers to reserves	1,694,299	674,283
	<hr/>	<hr/>
Deduct: Losses charged to reserves	14,238,215	12,808,709
	<hr/>	<hr/>
Less recoveries credited to reserves	691,325	448,281
	<hr/>	<hr/>
Net losses	233,998	183,488
	<hr/>	<hr/>
Balance at end of year*	457,327	264,793
	<hr/>	<hr/>
	\$13,780,888	\$12,543,916

*Includes \$12,771,399 (1967 - \$11,528,085) deducted under the reserve method of accounting for bad debts.

BANCOHIO CORPORATION and SUBSIDIARY BANKS

CONSOLIDATED TEN YEAR FINANCIAL SUMMARY (In thousands of dollars except per share amounts)

INCOME STATEMENT AND DIVIDENDS

Year	Gross Operating Income	Operating Expenses	Income Taxes On Operating Income	Minority Interest In Operating Income
1968	\$62,572	\$46,803	\$3,678	\$120
1967	56,095	40,726	3,921	160
1966	47,919	33,504	4,204	146
1965	41,155	28,721	3,919	110
1964	37,610	23,883	5,213	117
1963	34,991	21,941	5,207	131
1962	32,888	19,929	5,310	130
1961	29,703	18,260	4,800	121
1960	28,748	16,691	5,261	119
1959	25,130	14,667	4,546	105

BALANCE SHEET

Year	Loans	U. S. Treasury Securities	State and Municipal Securities	Other Securities
1968	\$658,302	\$157,565	\$242,137	\$79,309
1967	584,408	178,174	218,929	37,003
1966	576,754	124,590	188,626	38,680
1965	509,284	134,461	166,042	29,040
1964	421,702	143,691	128,620	27,007
1963	389,793	167,379	112,448	40,816
1962	350,275	196,581	95,497	36,430
1961	319,093	202,700	89,154	31,564
1960	295,616	186,776	72,556	30,293
1959	258,984	202,952	77,092	17,337



Net Operating Income		Nonoperating Additions or (Deductions)	Transfer to Surplus		Cash Dividends	
Amount	Per Share		Amount	Per Share	Amount	Per Share
\$11,970	\$2.68	\$ (775)	\$11,195	\$2.51	\$4,291	\$.96
11,288	2.53	(172)	11,116	2.49	3,549	.80
10,065	2.26	(1,245)	8,820	1.98	3,054	.68
8,405	1.91	(821)	7,584	1.73	2,696	.61
8,397	1.91	(512)	7,885	1.80	2,452	.57
7,712	1.76	(392)	7,320	1.67	2,335	.54
7,519	1.71	(311)	7,208	1.64	2,203	.50
6,522	1.49	325	6,847	1.56	2,098	.48
6,677	1.53	(529)	6,148	1.40	1,732	.39
5,812	1.32	(490)	5,322	1.21	1,601	.36

Total Assets	Deposits	Capital and Surplus		Loan Reserves	Capital, Surplus and Loan Reserves	
		Amount	Per Share		Amount	Per Share
\$1,324,870	\$1,174,326	\$100,966	\$22.62	\$13,781	\$114,747	\$25.71
1,241,348	1,077,003	93,924	21.05	12,544	106,468	23.86
1,108,552	969,745	83,031	18.62	12,134	95,165	21.33
1,012,383	896,935	77,209	17.31	10,237	87,446	19.60
899,904	804,058	70,569	16.09	8,751	79,320	18.09
851,138	760,953	65,066	14.84	8,110	73,176	16.69
840,521	751,514	60,012	13.68	7,445	67,457	15.38
802,105	721,512	54,997	12.55	6,851	61,848	14.11
734,641	657,999	50,247	11.45	6,754	57,001	13.00
712,252	655,765	45,763	10.44	5,914	51,677	11.80

The accrual method of accounting was adopted in 1967. Amounts as reported for prior years have not been restated. This change did not have a significant effect on net operating income or capital and surplus in the year of change.

Per share amounts of net operating income and transfer to surplus are based on average shares outstanding during year. All per share amounts are adjusted to reflect 3 for 1 stock split effective January 14, 1966 and the following stock dividends:

1959—5%	1961—5%	1963—5%	1964—6%	1967—4%
1960—6%	1962—6%		1966—4%	1968—4%

Loans, U. S. Treasury securities and total assets are stated net after deducting reserves.

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MARION A. CORWIN
Vice President
EDWARD A. HANF
Vice President and Treasurer
BROOKS P. JULIAN
Vice President
JAMES W. McNAMEE
Vice President
GREENVILLE T. PACE
Vice President
THEODORE E. PENNING
Vice President
JAMES P. REARDON
Vice President
JOHN W. WOLFE
Vice President
JOHN L. BURGOON
Cashier and Secretary
ROBERT F. WEBER
Assistant Vice President
and Chief Examiner
KENNETH K. FEINTHEL
Assistant Vice President
PETER D. WEBSTER
Examiner

EXECUTIVE OFFICES

51 North High Street
Columbus, Ohio 43216

BOARD OF DIRECTORS

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JOHN M. CAREN
General Counsel of the Corporation
EDWARD A. HANF
Vice President and Treasurer of the
Corporation
DERROL R. JOHNSON
President of the Corporation
HENRY M. O'NEILL, Sr.
Chairman of the Board of The
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GREENVILLE T. PACE
Vice President of the Corporation
LELAND A. STONER
Chairman of the Board of The Ohio
National Bank of Columbus
EDGAR T. WOLFE, Jr.
Vice President of The Dispatch Printing
Company
JOHN W. WOLFE
Vice President of the Corporation
PRESTON WOLFE
President of The Dispatch Printing
Company

TRANSFER AGENT

The Ohio National Bank of Columbus
51 North High Street
Columbus, Ohio 43216

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Walter C. Mercer, President
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Frank W. Kelley, President
THE FIRST NATIONAL BANK OF CADIZ
J. G. Mitchell, President
THE FIRST NATIONAL BANK of Chillicothe
Lloyd L. Davis, President
THE SECOND NATIONAL BANK of Circleville
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FIRST NATIONAL BANK of Coshocton
Charles H. Edmund, President
THE FIRST NATIONAL BANK of Delaware
A. F. Myers, President
THE FIRST NATIONAL BANK of Jackson
Daniel E. Washam, President
THE KENTON SAVINGS BANK, Kenton
R. B. Merriman, President
THE HOCKING VALLEY NATIONAL BANK
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THE FARMERS AND MERCHANTS BANK
of Logan
R. B. Perkins, President

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THE PERRY COUNTY BANK, New Lexington
John S. Stanton, President
THE NATIONAL BANK of Portsmouth
R. Vernon Miller, President
THE FIRST NATIONAL BANK of Springfield
Donald J. Bishop, President
FIRST NATIONAL BANK of Tiffin
Kenneth H. Myers, President
THE FIRST NATIONAL BANK
of Washington Court House
J. Roush Burton, President
THE FIRST NATIONAL BANK of Wilmington
R. H. Olinger, President
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